1 something in my previous experience where I formed an 2 opinion or I did some study." 3 But in this case, if you'll look at page 4 29 of Exhibit 61, "Departures from the FCC formula. 5 The model agreement attached rate calculator departs 6 from the FCC formula in four respects." 7 The next paragraph goes on and says the 8 cable television rate -- I'm reading the second 9 sentence of the second paragraph -- is a holdover from a desire in the late 1970s to assist the then nascent 10 11 cable television industry by establishing a low rate. 12 This is part of an ongoing challenge that 13 the utility industry has had to FCC rate which Your 14 Honor may or may not be familiar with, but for decades since the 1987 Pole Attachment Act. You may know that 15 16 in 1987, they went to the United States Supreme Court in Florida Power v. FCC, and that the Supreme Court 17 upheld the Constitutionality of 18 the FCC 19 regulation saying that there's no mandatory access. Now we've had Section 224 passed in 1996. 20 They brought a series of challenges known as Gulf 21 Power I, Gulf Power II, Southern Company I, Southern 22

1 Company II, and Alabama Power. There are five federal 2 court of appeals decisions that pertain to the ongoing 3 decades long utility industry challenge. 4 How does this relate to our challenge 5 here? This is essentially taking the legal brief or a position paper, if you will, almost a lobbying piece 6 7 that is consistent with all of their challenges over 8 the years and saying, "You know, our experts relied on 9 things that our industry has written to form his 10 opinion, and we would like it offered in evidence." 11 Ι unlike other submit to you that 12 experience based things that experts have done in the 13 past or general treatises that are acknowledged and 14 accepted as impartial, this position paper for the 15 utility industry is not an appropriate exhibit in evidence. 16 It may be that it can be consulted and 17 18 referenced, but it should not be admitted in evidence. It's essentially an extra legal brief. 19 JUDGE SIPPEL: But it sounds to me -- I'm 20 hearing different things in your argument, but one 21 22 thing that strikes me is it seems to me that you're

saying that, in effect, this is a weak piece for 1 2 supporting an expert's opinion. This is kind of --3 MR. COOK: No, my focus is that --4 JUDGE SIPPEL: -- prattle that can get in 5 a trade association. 6 MR. COOK: This should not be admitted as 7 a matter of bias because this is essentially like 8 taking the trial brief that you will get from Gulf 9 Power in a day or so and stamping it as documentary 10 exhibit and giving it to you again. It amounts to an 11 extra legal brief which goes to the ultimate issue, 12 which as a matter of deciding what's relevant and 13 what's not, materials that are written that are 14 essentially advocacy pieces that go to the ultimate 15 issue should not be accepted in evidence for the trier 16 of the fact. 17 MR. CAMPBELL: I'd like to respond to the 18 First off, bias is an issue of weight. bias issue. 19 It's not an issue of admissibility. He can explore that on cross examination, but the bias issue I don't 20 21 even understand because the APPA is not a party to

this proceeding, nor is the APPA party to any of the

proceedings that he listed in his long lineage of the history of the fights.

So I don't understand the bias argument. It doesn't make any sense.

But secondly, to all this a piece of advocacy is really a mischaracterization. if you flip back, just as an example, to the back of this document at page 121 of Tab 61, you can see some of the things that we're talking about in this proceeding: the construction specifications. This is not advocacy. This is what another industry participant does, and this is their handbook, their manual, their guidebook, on how they deal with the joint use relationships.

Our expert took a look at this manual and said, "You know what? I'm being asked to opine on Gulf Power's techniques, on Gulf Power's valuation, on Gulf Power's replacement cost methodology, and I find it highly relevant that another industry player out there that is not constrained by the federal regulation -- how do they do it? How do they calculate pole attachment rates and methodologies? And I'm going to rely on that as an expert to opine in

1	this case."
2	Immanently reasonable, highly relevant,
3	and certainly admissible.
4	JUDGE SIPPEL: Well, Mr. Seiver.
5	MR. SEIVER: The last thing is that that
6	means Mr. Spain's summary and the deposition was
7	somewhat wasted, and I thought the summaries were
8	supposed to be tied into the actual testimony and that
9	there was not supposed to be additional materials
10	consulted or identified or produced after, and I just
11	don't understand the summaries were, I guess, almost
12	a waste.
13	JUDGE SIPPEL: Well, yeah. Does this
14	change the summary? I mean what
15	MR. CAMPBELL: It doesn't change anything,
16	Your Honor. All it says is: do you know what? My
17	testimony that I gave in my summary in my deposition
18	is accurate because it's just like what other people
19	are doing out there.
20	What Mr. Spain did when he left his
21	deposition for purposes of writing his prefiled
22	direct, just like their expert, continued to do his

work, and in doing his work, he stumbled across this document, and he says, "Guess what. This is exactly what I'm saying. These people are doing it, if not identical, very similar to what Gulf Power is doing, and that buttresses my opinion that what they're doing is reasonable."

JUDGE SIPPEL: Well, I'm going to sustain the objection for any number of reasons, but -- well, I'm not going to go into detail on it. I think the points that were raised by Mr. Cook and Mr. Seiver are very valid, that it is an advocacy piece put together by a trade association that was picked up by your expert after the fact. There has been no reasonable notice to the other side, and the document is just loaded with information and material that it would put the Complainants at a disadvantage with an expert witness, which to me that's significant.

MR. CAMPBELL: I understand your ruling, Your Honor. We would be permitted to cross examine their industry experts concerning this same document.

JUDGE SIPPEL: Well, the document will stay in. It's marked for identification. It's

1	rejected, and it will be in the record, and you know,
2	if you feel that you have a valid use for some parts
3	of it in some other context, you can offer it.
4	MR. CAMPBELL: Thank you, Your Honor.
5	JUDGE SIPPEL: Mr. Seiver.
6	MR. SEIVER: Thank you.
7	JUDGE SIPPEL: All right. Let me make my
8	ruling go ahead. I'm sorry. Finish your
9	statement. Are you finished? What about 62?
10	MR. SEIVER: That's exactly what I was
11	I was ready to do 62, Your Honor.
12	JUDGE SIPPEL: All right. Let's do 62.
13	MR. SEIVER: Would you like me to do that?
14	JUDGE SIPPEL: Let's do 62.
15	MR. SEIVER: Sixty-two, again, is an
16	agreement that is and we'll repeat this when we get
17	to the next volume whether or not there's an
18	agreement that Gulf Power has with someone other than
19	the Complainants we thought was not relevant. I mean,
20	we obviously have talked to them about it and gone
21	through it and gone through the joint use agreements,
22	but our objection is that this, again, is similar. It

1	does not show that, in fact, KMC Telecom is willing to
2	pay a rate or enter into an agreement. It has nothing
3	to do with the loss or the full capacity.
4	But that's a variation on the objections
5	we have made before.
6	JUDGE SIPPEL: Mr. Campbell?
7	MR. CAMPBELL: I think the objections have
8	already been dealt with. These are more of these
9	other attachments like ILEC attachments.
10	JUDGE SIPPEL: This is nonregulated?
11	MR. CAMPBELL: Correct, and these were
12	also referred to in the testimony of Mr. Dunn,
13	referred to in the testimony of Mr. Bowen, referred to
14	in the affidavits of Mr. Dunn that have been admitted
15	as Exhibits 1 through 3, and so this is nothing that's
16	new to the Complainants in this proceeding. These
17	agreements have been talked about. They've been
18	bantered around in depositions, and so these should be
19	admitted.
20	MR. SEIVER: Your Honor, if I could
21	respond to Mr. Campbell just briefly.
22	JUDGE SIPPEL: I was just going to ask him

1	if he would are these distinguished at all from the
2	CHELCO agreements? I mean, they are different
3	entities, of course, but
4	MR. CAMPBELL: Yes, the CHELCO agreements
5 5	were agreements between the Complainants and an
6	unregulated municipal cooperative.
7	JUDGE SIPPEL: Yes.
8	MR. CAMPBELL: These are agreements
9	between Gulf Power and other people attaching to Gulf
10	Power's poles and what they pay, what the terms and
11	conditions are.
12	JUDGE SIPPEL: Are they regulated?
13	MR. CAMPBELL: Unregulated.
14	JUDGE SIPPEL: They're unregulated.
15	MR. CAMPBELL: Yes, sir. These are just
16	like the ILEC attachments. These are people that are
17	on our poles, and so when we're talking about our pole
18	space, we're talking about opportunities that are out
19	there. This would go in that bucket.
20	MR. SEIVER: Well, Your Honor, I think we
21	have to correct I don't think Mr. Campbell meant
22	what he said. Telecommunications carriers, such as

KMC and the other entities, Hyperion, are subject to 224 and their rates with an investor owned utility are subject to regulation. The fact that these entities elected not to pay the formula, the FCC formula and pay some other rate is an issue we did explore at deposition because we thought that there was to getting to market a fewer number of poles, you know, whatever the leverage was between them, which is why these people who had available to them the complaint process of this Commission under 224 to say, "No, I don't need to pay \$38 a pole or \$40 a pole or whatever it might be."

They are regulated. They chose for whatever reason, which we think is not relevant to whether or not there's a loss or whether or not there is a full pole, to pay Gulf Power something other than the regulated rate, and so if this is a regulated market, and I think those unique circumstances do point up something that we would bring out on cross examination, would have nothing to do with the proof that would satisfy the APCo standard for Gulf Power.

MR. CAMPBELL: Mr. Seiver is correct. As

I look back at the exhibit list, I was thinking of other agreements that we have out there. These are regulated entities and they are offered for the purpose of showing that even people who are subject to the protection of the act are willing to pay different rates, higher rates to attach to these facilities. The existence of that market, the market where willing buyers and willing sellers will go out and pay a rate that is multiple times higher than the regulated rate is something that is at issue in this proceeding, has been at issue in this proceeding. There has been affidavit testimony about it. There will be testimony by the witnesses on the stand.

And if Mr. Seiver has a point of departure from that, something that is a unique circumstance, that is an issue of weight. It is not an issue of admissibility. He can cross examine the witness and say, "Isn't it true that this person could avail themselves of the act and they voluntarily decided to pay a higher rate?"

And he can explore the reason why he thinks that exists, but this is another example of the

1	type of attachers that are on our pole, how our pole
2	space is being used, finite pole space, who the bucket
3	of attachers are out there that are available for this
4	unique space, and what they're willing to pay.
5	JUDGE SIPPEL: Is this attacher or these
6	attachers, are they cable companies?
7	MR. CAMPBELL: Telecommunications
8	companies.
9	JUDGE SIPPEL: Telecommunications
10	companies. Okay. And I'm interested in really how
11	you phrased this. You're saying that for some reason
12	or another they desire to pay a premium over and above
13	the regulated rate in order to have the privilege of
14	hanging on Gulf Power's poles?
15	MR. CAMPBELL: I would say that they
16	accurately represent the value of the space, and they
17	realize that, and this all happened during the
18	pendency of the early fights during all of this, and
19	so it is just an example of that. It is a more
20	accurate representation of what opportunities are out
21	there for us.
22	These are transactions you can look at and

1 say, "This guy is willing to pay 18. This guy is 2 willing to pay 21. This guy is" -- and those numbers 3 I'm just pulling out of the air, but you look at that 4 and you say I've got to consider that in this universe of evidence that I'm going to consider to determine 5 6 whether Gulf Power is entitled to something above 7 marginal cost. 8 I might also add that these particular 9 contracts, this type of contract was identified in our 10 description of evidence that we talked about that we 11 would bring in this proceeding as being relevant to all of this, and so that needs to be considered as 12 13 well. 14 And, again, the issues that Mr. Seiver raises are issues that go to weight. They do not go 15 16 to the admissibility of the document. 17 JUDGE SIPPEL: Well, I don't want to sound 18 too much like an economist here, but that sort of 19 strikes me as being in the area of market power, isn't 20 I mean people don't usually pay more than what 21 they have to pay. If they believe that the 22 MR. CAMPBELL:

1 rate that is regulated in the subject of the federal 2 state, is subject to attack and is vulnerable, they 3 might. Well, I'm open to the 4 JUDGE SIPPEL: 5 I'm not saying it's -- I'm not making a 6 determination on it, but it's interesting. 7 Mr. Seiver. 8 MR. SEIVER: One last point. The --9 JUDGE SIPPEL: How does it hurt you? 10 MR. SEIVER: Pardon me? The telecom rate was an issue in the APCo case as well. In fact I 11 12 recall it being an argument when Mr. Campbell made 13 the exact point to the court that at a minimum there is a taking between the cable rate and the telecom 14 15 rate which the court addressed in APCo and rejected as 16 not being a taking because it's a different formula. 17 JUDGE SIPPEL: Right. 18 Now we have evidence of MR. SEIVER: 19 people that were paying even more than what the 20 telecom rate would be, and I have exhibits, as he well 21 knows that dispute that there was any thought of 22 someone saying, "You know what? You're right.

1	costs are more. So we should pay it. It's a value
2	judgment, and one of the letters that I will put in in
3	front of the witness if they are going to continue
4	with this shows that it was basically an extortion,
5	kind of take it or leave it.
6	If you want to get to market, agree with
7	us. Otherwise we're not doing it.
8	JUDGE SIPPEL: Well, I think there's
9	enough said on that one. I am not even sure if I'm
10	hearing an objection from Mr. Seiver, but certainly to
11	his commentary, we'll receive that into evidence. Are
12	there several other documents like that so that we can
13	do this as a
14	MR. LANGLEY: Sixty-two, 63 and 64 are of
15	the same ilk.
16	JUDGE SIPPEL: Well, then I'll extend the
17	list then to 64, and let me go back and see where I
18	left off. I am starting with Exhibit 60; is that
19	right, Tab 60?
20	MR. SEIVER: Yes, Your Honor, that was the
21	summary.
22	JUDGE SIPPEL: Fifty-nine is where I left
	l !

1	off.
2	MR. SEIVER: Oh, no, no, no. You ruled on
3	61.
4	JUDGE SIPPEL: No, wait a minute. I
5	haven't ruled on it.
6	MR. SEIVER: Oh, I'm sorry.
7	JUDGE SIPPEL: I did give you a ruling,
8	yes.
9	MR. SEIVER: Oh, I'm sorry. I'm sorry,
10	Your Honor. I didn't mean to you're right.
11	JUDGE SIPPEL: That's in Column B. I
12	mean, my Column A rulings which have to do with
13	receiving them starts with 60.
14	MR. SEIVER: That's correct.
15	JUDGE SIPPEL: All right. I want to from
16	60 to 64 on this then, and my ruling is with
17	everything with the exception of 61. Okay? And that
18	is the documents that have been tabbed by Gulf Power
19	as Documents 60 through 64 are now identified, deemed
20	to be marked identified for evidence as Gulf Power
21	Exhibits Nos. 60 through 64, and with the exception of

Exhibit 61, which is marked for identification and is

1	rejected as an exhibit, Exhibits 62 I'm sorry
2	the documents marked for identification as Gulf Power
3	60 through 64, with the exception of 61, are received
4	in evidence as Gulf Power exhibits.
5	So 61 is out as an exhibit, but it remains
6	in the record as a marked exhibit, and it's subject to
7	the various rulings that were made with respect to the
8	further use of that document.
9	(Whereupon, the documents
LO	referred to were marked as Gulf
L1	Power Exhibit Nos. 60 and 62
L2	through 64 were marked for
13	identification and received in
4	evidence. Gulf Power's Exhibit
L5	No. 61 was marked for
16	identification and rejected from
L7	evidence.)
L8	JUDGE SIPPEL: All right. That gets us
L9	then out of Notebook 4 of 5 and brings us to Notebook
20	5 of 5.
21	MR. LANGLEY: Your Honor, the only
22	remaining exhibit is a compilation of documents marked

1 Exhibit 65. These are all documents 2 previously have been identified pursuant 3 discovery request from Complainants as evidence of our 4 evidence of the unregulated market, which there's been 5 great discussion here this morning. We would move to admit these documents 6 7 which are marked Exhibits 65, Tab 65, in Volume 5 of 8 5 into evidence. 9 JUDGE SIPPEL: Okay. Mr. Seiver, 10 problems with this? 11 MR. SEIVER: Sixty-five we believe is more of the same of 62, 63, and 64. 12 So our objects on 13 those three exhibits and the commentary may apply to 14 65. JUDGE SIPPEL: All right. I'll take that 15 16 as an objection. I'm going to overrule the objection 17 and, based on the proffer of Mr. Langley, the tabbed document is an extensive document, but it's tabbed 18 under Tab 65 in Notebook 5 of 5, is marked for 19 identification and is received in evidence in its 20 totality as Gulf Power Exhibit 65. And that's the end 21

of -- yes, sir, Mr. Cook.

1 MR. COOK: Ιf Ι can make just 2 clarification for the record. I'm not sure Mr. Seiver 3 got a chance to mention this, but one of the principle 4 objections, again, would be relevance to all of 65 as 5 well as 62 through 64 because, as Your Honor noted, 6 these are what other people pay, some regulated, some 7 unregulated, but again, have nothing to do with 8 capacity of Gulf's poles containing Complainants's 9 attachments or any lost cause by Complainants. 10 JUDGE SIPPEL: I will make note of that I follow the reasoning of that in terms of 11 and I do. 12 relevance, but obviously it's a subject that the 13 Alabama Court dealt with. I don't see where its 14 receipt evidence prejudice into could the Complainants' case. 15 16 On the other hand, of course, it's in the 17 broad context of relevance, and I think, again, I 18 conclude that it is a subject that certainly the 19 Commission would want to see addressed if it's going 20 to come up to them. So I'm going to overrule the objection and 21 22 receive it into evidence as a matter of discretion as

1 Exhibit 65, and that's the end of Volume 5, Notebook 2 5. 3 (Whereupon, the document referred 4 to was marked as Gulf Power 5 Exhibit No. 65 for identification 6 and was received in evidence.) 7 JUDGE SIPPEL: Where else do we stand now 8 with respect to your evidence, your documentary 9 evidence? 10 MR. CAMPBELL: The only issue that needs to be raised, and I understand we're only dealing with 11 12 documentary evidence today, here 13 testimonial evidence, but we have deposition 14 designations that have been made, and within some of 15 the deposition designations there are exhibits that 16 have been referred to. 17 We separately listed those on our final exhibit list, and I don't know how the Court or the 18 19 Complainants want to deal with that issue. Most of 20 them are items that are their documents. So I'm not 21 sure there would be any objection, but I do think in the interest of completeness, that issue should be 22

discussed as a housekeeping item.

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MR. SEIVER: Your Honor, we have no problems. The exhibits that are listed, they do it by witness. After that, and I do think we're probably going to talk about witnesses today at some point, but have no problem because of them are some duplicative of those Gulf Power spec plates. You'll see, Your Honor, in the Exhibit A to the 50 pole identification, I think, comes in at least twice. The Cox Construction specification is more photographs and pole information. We really have no objection to any of that at all.

MR. CAMPBELL: Subject to that I'll make a suggestion that we move into evidence all of the exhibits that are referred to in Gulf Power's deposition designations, and when we go back and do our homework, to list the page numbers that exist in all of the exhibits that we've admitted into evidence, we will specifically identify those documents for the court reporter as well.

JUDGE SIPPEL: Exactly. Now, I concur with that, and I appreciate the spirit in which this

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1 is being done. 2 I have on the list that my legal tech 3 prepared for me -- these are marked as A through L; is 4 that correct? MR. CAMPBELL: No, portions of A through 5 6 A through L captured all of the testimonial 7 evidence that we're going to submit. Where this comes 8 up is starting with Gulf Power G through L, and those 9 are testimony by way of deposition destinations. 10 JUDGE SIPPEL: I see. 11 And within that there are MR. CAMPBELL: exhibits that are referred to. 12 That's what we're 13 dealing with here, and so we will move those into 14 We will specifically identify them. evidence. 15 don't understand there to be an objection, and so I think that issue is dealt with nicely. 16 17 MR. SEIVER: I do have a question though. 18 I'm sorry, Mr. Campbell. I didn't mean to interrupt 19 The deposition excerpts of Mr. Tessieri, those 20 are remaining? I mean, that's Exhibit L, and you did 21 not have any other exhibits referred to in the

So there are no exhibits for Mr.

identification.

1 Tessieri that you wanted to put in? 2 MR. CAMPBELL: Well, that was an issue 3 that I understood we were going to discuss with 4 respect to Mr. Tessieri, but I don't believe there 5 exhibits that were contained in were any the 6 designations that were made. If there are, I have 7 omitted to put them on our exhibit list. But we can 8 deal with that separately. 9 JUDGE SIPPEL: Well, what will your timing 10 be? What would you like your timing to be on this? 11 Do you want to handle this this afternoon or do you 12 want to 13 MR. CAMPBELL: Given the trial brief 14 issue --15 JUDGE SIPPEL: Yes, go ahead. Given the trial brief 16 MR. CAMPBELL: issue, I would ask that we be allowed to make these 17 18 submissions at least the day following submission of 19 our trial brief. We really need to turn our attention 20 to the trial brief and finalizing that document, which 21 I understood to be due tomorrow. We have entered into 22 a stipulation, subject to the Court's approval, with

1 the other side to have a one day extension. 2 We've also checked with Ms. Griffin here 3 to be sure that they had no objection to that, and we 4 would like to get the Court's approval for that. 5 MR. SEIVER: We're fine with them having 6 a day if we can have a day, and I'm assuming that you 7 would electronically serve us not tomorrow then, but 8 Wednesday; is that right? 9 MR. Wednesday afternoon CAMPBELL: 10 following the protocol we've established with all of 11 these documentary submissions. 12 MR. SEIVER: As long as we have it electronic on Wednesday, then we only need the extra 13 14 day. I guess that would put us to the 18th. 15 MR. COOK: Right. Your Honor, for the 16 record, I believe that means that their trial brief 17 instead of coming to you tomorrow, the 11th, would 18 come Wednesday, the 12th. And then ours which is 19 currently scheduled to come to you a week from today, 20 Monday, the 17th, would come Tuesday, the 18th, if Your Honor is agreeable to each side having one 21 22 additional day.

1	MS. GRIFFIN: Your Honor, I'm fine with
2	that if I can have an extra day. So I'm sure we're on
3	the same comments.
4	JUDGE SIPPEL: Yeah, and yours is on the
5	comments. So you would do the 20th on the comments.
6	So that would bump you to the 21st.
7	MS. GRIFFIN: The 21st. That's still a
8	weekday, right?
9	MR. COOK: The 21st is a Friday.
10	MS. GRIFFIN: If that's agreeable with
11	you.
12	JUDGE SIPPEL: Well, they're not going to
13	object to that, I'm sure. That's fine. That's fine,
14	Ms. Griffin.
15	That's no problem. Well, let me tell you
16	what my situation is. I'm going to be on family
17	business. I'm going to be out of town from the 12th
18	through the 18th, and I want to see that trial brief.
19	Would you have any objection, is there anything in it
20	that's super secret? Could I have my paralegal
21	electronically transfer it to me?
22	MR. COOK: On the 18th?

1	JUDGE SIPPEL: Yes. I mean, I'd be
2	outside the agency. I can get a facility. I can have
3	a way of receiving it, but
4	MR. SEIVER: I don't think that would be
5	a problem, Your Honor.
6	MR. COOK: Yeah. Actually both sides have
7	taken the precaution because of the confidentiality
8	order of marking many of these things confidential,
9	and that's something we'll have to
10	JUDGE SIPPEL: Well, we're going to get to
11	that.
12	MR. COOK: deal with.
13	JUDGE SIPPEL: I don't want to raise that
14	might now, but my question is well, actually I'm
15	talking to the wrong side of the room here. This is
16	your trial brief. This is Gulf Power's trial brief.
17	Would you have any objection to that?
18	MR. CAMPBELL: We have no objection to
19	that.
20	MR. LANGLEY: None at all.
21	JUDGE SIPPEL: All right. Okay. Then if
22	that's you certainly can consider your time to be